

## Message Text

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PAGE 01 LIMA 02152 102321Z  
ACTION ARA-14

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03  
INR-10 NSAE-00 TRSE-00 XMB-02 OPIC-03 SP-02  
LAB-04 SIL-01 OMB-01 SS-15 STR-07 CEA-01 SSO-00  
USIE-00 NSCE-00 INRE-00 PA-01 L-03 /081 W  
-----062179 102331Z /64

O 102153Z MAR 78  
FM AMEMBASSY LIMA  
TO SECSTATE WASHDC IMMEDIATE 9097

CONFIDENTIAL LIMA 2152

E.O. 11652: GDS  
TAGS: EFIN, PE  
SUBJECT: MORALES BERMUDEZ COMMENTS ON IMF NEGOTIATIONS

REF: LIMA 1953

KAREN DE YOUNG, LA CORRESPONDENT FOR WASHINGTON POST,  
OUTLINED FOR ECONOMIC/COMMERCIAL COUNSELOR AFTERNOON MARCH 10  
HIGHLIGHTS OF HER INTERVIEW MORNING MARCH 10 WITH PRESIDENT  
MORALES BERMUDEZ AS IT RELATED TO IMF NEGOTIATIONS. KEY POINTS  
ARE:  
1. LINDA KOENIG, IMF TEAM LEADER FOR RECENT CONSULTATIONS,  
WILL NOT BE WELCOME TO RETURN TO PERU ACCORDING TO  
MORALES BERMUDEZ;

2. NO CHANGES IN PERUVIAN REGULATIONS ARE NECESSARY TO BRING  
PERU INTO COMPLIANCE WITH THE IMF STANDBY WITH RESPECT TO  
EXCHANGE RATE PROCEDURES, AS CURRENT REGULATIONS PROVIDE  
FOR A FREE FLOAT;

3. IMF IS ANACHRONISTIC INSTITUTION WITH LITTLE SENSITIVITY  
TO POLITICAL REALTIES OF DEVELOPING COUNTRIES SUCH AS PERU.  
BASIC CHANGES IN ITS STRUCTURE ARE REQUIRED FOR IT TO  
MEET PRESENT NEEDS;

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PAGE 02 LIMA 02152 102321Z

4. GOP SHOULD NOT BE DRIVEN INTO HARD ECONOMIC  
MEASURES WHICH WOULD REPRESS HUMAN RIGHTS AND IMPERIL  
PERU'S RETURN TO DEMOCRATIC CIVILIAN RULE -- THIS WILL  
NOT HAPPEN SO LONG AS MORALES BERMUDEZ IS IN POWER;

5. ANY PROBLEM WHICH THE GOP MIGHT HAVE WITH THE IMF  
WILL PROBABLY BE WORKED OUT -- IN THE UNLIKELY EVENT

THAT THIS IS NOT POSSIBLE, THEN PERHAPS "THE BANKS"  
WILL HAVE TO BE APPROACHED "DIRECTLY" FOR NEEDED  
ASSISTANCE.

6. COMMENT: PRESIDENT'S REPLY ON EXCHANGE RATES, WHILE  
TECHNICALLY CORRECT, EVADED THE ISSUE  
OF THE INFORMAL "GENTLE'S AGREEMENT" WHICH  
OPERATES OUTSIDE "PERUVIAN REGULATIONS" TO HOLD THE  
OFFICIAL RATE AT 130 TO THE DOLLAR.

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## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PRESS CONFERENCES, NEGOTIATIONS, IMF DRAWING RIGHTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 10 mar 1978  
**Decapton Date:** 01 jan 1960  
**Decapton Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978LIMA02152  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
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**Reference:** 78 LIMA 1953  
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**Subject:** MORALES BERMUDEZ COMMENTS ON IMF NEGOTIATIONS  
**TAGS:** EFIN, SOPN, PE, IMF, (MORALES BERMUDEZ CERRUTTI, F)  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014